

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE
COUNTY ADMINISTRATIVE OFFICER: JOHN F. MICHAELSON
BUDGET UNIT: JOINT POWERS LEASES (AAA JPL)

I. GENERAL PROGRAM STATEMENT

This component funds the cost of long-term lease payments for joint power facility agreements. There is no staffing associated with this budget.

II. BUDGET & WORKLOAD HISTORY

	Actual 2000-01	Budget 2001-02	Actual 2001-02	Budget 2002-03
Total Appropriation	27,425,810	23,569,659	21,109,895	23,068,480
Total Revenue	855,000	-	629,201	-
Local Cost	26,570,810	23,569,659	20,480,694	23,068,480

2001-02 actual expenditures are under budget due to savings of \$2.1 million on the refinancing of the 1992 Justice Center/Airport Improvement project and savings in interest expense on the county's variable rate debt due to historical lows in short-term interest rates. These savings were partially offset by an arbitrage rebate payment of \$.7 million. This payment, which is a rebate of excess investment earnings on bond proceeds, covered the period from February 1992 through February 2002. Revenues include \$97,000 from the closing of inactive bond funds and \$.5 million that was originally budgeted as an expense reimbursement.

Leases Included in this budget for 2002-03 are:

1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Pre-School Building)	1,337,923
County Government Center	3,170,610
West Valley Detention Center	8,571,041
Glen Helen Blockbuster Pavilion	1,772,650
Justice Center/Chino Airport Improvements	6,299,510
Subtotal	21,151,734
Reduction of Glen Helen Taxable Debt	3,200,000
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing, Audit and Arbitrage Services, etc.)	988,478
Reimbursements**	(2,271,732)
	23,068,480

** Reimbursements reflect Preschool building rents, Chino Airport rents, lease payments from Glen Helen Blockbuster Pavilion and a transfer from the utilities budget (to reflect savings from ENVEST project).

III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

STAFFING CHANGES

None.

PROGRAM CHANGES

The 2002 refinancing of the Justice Center/Airport Improvements project resulted in \$2.1 million in general fund savings in 2001-02 and will produce another \$23,744 in general fund savings in 2002-03. The 2001 West Valley Detention Center refinancing will produce \$1,055,777 in general fund savings in 2002-03. This makes a total of \$3.2 million available for expenditure. This money will be used to pay down the Glen Helen taxable debt. A reduction of \$3.2 million will reduce annual interest expense on this debt by an average of \$100,000 over the next 22 years and decrease the required appropriation in this budget unit an average of \$260,000 per year over the next 22 years. This appropriation will now be available for allocation to other programs.

COUNTY ADMINISTRATIVE OFFICE

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office - Joint Powers Leases
FUND: General AAA JPL

FUNCTION: General
ACTIVITY: Property Mgmt

	2001-02 Actuals	2001-02 Approved Budget	2002-03 Board Approved Base Budget	2002-03 Board Approved Changes to Base Budget	2002-03 Final Budget
Appropriations					
Services and Supplies	22,505,186	25,851,109	25,343,930	(3,718)	25,340,212
Total Exp Authority	22,505,186	25,851,109	25,343,930	(3,718)	25,340,212
Less:					
Reimbursements	(1,395,291)	(2,281,450)	(2,275,450)	3,718	(2,271,732)
Total Appropriation	21,109,895	23,569,659	23,068,480	-	23,068,480
Revenue					
Other Revenue	629,201	-	-	-	-
Total Revenue	629,201	-	-	-	-
Local Cost	20,480,694	23,569,659	23,068,480	-	23,068,480

Total Changes in Board Approved Base Budget

Services and Supplies	(3,013,525)	Final lease payment on the 92 equipment refinancing project.
	(7,632)	Minor lease payments changes per annual lease schedule.
	52,881	Increase lease payments to correct prior budgeting practice of offsetting lease payments by rebatable arbitrage.
	333,661	Increase in debt administration due to an anticipated rebate of arbitrage.
	2,127,436	2001-02 general fund savings from the refinancing of the Justice Center/Airport Improvement Project.
	<u>(507,179)</u>	
Reimbursements	6,000	Changes in anticipated reimbursement from Glen Helen Blockbuster Pavillion receipts and rents received from Preschool Services for Ontario building per payment schedules.
Total Appropriation Change	(501,179)	
Total Revenue Change	-	
Total Local Cost Change	(501,179)	
Total 2001-02 Appropriation	23,569,659	
Total 2001-02 Revenue	-	
Total 2001-02 Local Cost	23,569,659	
Total Base Budget Appropriation	23,068,480	
Total Base Budget Revenue	-	
Total Base Budget Local Cost	23,068,480	

Board Approved Changes to Base Budget

Services and Supplies	(1,055,777)	Reduce lease payments by the savings generated from refinancing of 2001 West Valley Detention Center Project.
	1,055,777	Use of Savings from Refinancing of 2001 West Valley Detention Center Project to reduce the Glen Helen taxable debt.
	(27,462)	Reduce lease payments by the savings generated from refinancing - 2002 Justice Center/Airport Improvements Refinancing project.
	2,144,223	Use of Savings generated by refinancing - 2002 Justice Center/Airport Improvements Refinancing to reduce the Glen Helen taxable debt.
	<u>(2,120,479)</u>	2001-02 savings generated by refinancing of Justice Center/Airport Improvement project.
	<u>(3,718)</u>	
Reimbursements	3,718	Decrease in anticipated reimbursement from rent for the Chino Airport.
Total Appropriations	-	
Total Revenue	-	
Local Cost	-	